

| PART II : Selected Information for the Quarter ended June 30, 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                               |                  |                   |                  |                                 |
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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Particulars                                                                                                                   | Quarter ended    |                   |                  | Year ended<br>March 31,<br>2014 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                               | June 30,<br>2014 | March 31,<br>2014 | June 30,<br>2013 |                                 |
| <b>A</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>PARTICULARS OF SHAREHOLDING (Without considering the consideration on amalgamation pending allotment at June 30, 2013)</b> |                  |                   |                  |                                 |
| <b>1</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Public Shareholding</b>                                                                                                    |                  |                   |                  |                                 |
| -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Number of shares                                                                                                              | 149051438        | 148759508         | 68033486         | 148735908                       |
| -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Percentage of shareholding                                                                                                    | 63.85%           | 63.71%            | 52.83%           | 63.71%                          |
| <b>2</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Promoters and promoter group Shareholding</b>                                                                              |                  |                   |                  |                                 |
| a)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Plleged/unencumbered                                                                                                          |                  |                   |                  |                                 |
| -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Number of shares                                                                                                              | -                | -                 | -                | -                               |
| -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Percentage of shares (as a % of the total shareholding of promoter and promoter group)                                        | -                | -                 | -                | -                               |
| b)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Encumbered                                                                                                                    |                  |                   |                  |                                 |
| -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Number of shares (as a % of the total share capital of the company)                                                           | -                | -                 | -                | -                               |
| -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Percentage of shares (as a % of the total share capital of the company)                                                       | -                | -                 | -                | -                               |
| c)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Non-encumbered                                                                                                                |                  |                   |                  |                                 |
| -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Number of shares (as a % of the total shareholding of promoter and promoter group)                                            | 84736978         | 84736978          | 60736978         | 84736978                        |
| -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Percentage of shares (as a % of the total share capital of the company)                                                       | 100.00%          | 100.00%           | 100.00%          | 100.00%                         |
| -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Percentage of shares (as a % of the total share capital of the company)                                                       | 36.15%           | 36.29%            | 47.17%           | 36.29%                          |
| <b>B.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>INVESTORS COMPLAINTS</b>                                                                                                   |                  |                   |                  |                                 |
| -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Pending at the beginning of the quarter                                                                                       |                  |                   |                  |                                 |
| -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Received during the quarter                                                                                                   |                  |                   |                  |                                 |
| -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Disposed of during the quarter                                                                                                |                  |                   |                  |                                 |
| -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Remaining unresolved at the end of the quarter                                                                                |                  |                   |                  |                                 |
| <b>Stand-Alone Information (Audited)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                               |                  |                   |                  |                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Particulars                                                                                                                   | Quarter ended    |                   |                  | Rs. in Lakhs                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                               | June 30,<br>2014 | March 31,<br>2014 | June 30,<br>2013 | Year ended<br>March 31,<br>2014 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Income from Operations                                                                                                        | 4,51,241         | 4,37,024          | 3,55,288         | 16,29,513                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Profit before tax                                                                                                             | 44,003           | 47,816            | 42,049           | 1,81,748                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Profit after tax                                                                                                              | 5,12,150         | 5,05,811          | 4,10,323         | 18,83,138                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Net Sales / Income from operations                                                                                            | 5,12,150         | 5,05,811          | 4,10,323         | 18,83,138                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Segment Profit before tax, interest and depreciation                                                                          | 1,21,547         | 1,31,070          | 1,05,525         | 5,10,578                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (i) Finance costs                                                                                                             | 14,386           | 16,619            | 13,181           | 59,843                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Total                                                                                                                         | 1,35,933         | 1,48,489          | 1,18,706         | 5,70,421                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Less:                                                                                                                         |                  |                   |                  |                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (ii) Finance costs                                                                                                            | 412              | 982               | 2,230            | 7,988                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Profit before tax                                                                                                             | 49,085           | 64,261            | 23,271           | 1,80,951                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Profit after tax                                                                                                              | 85,933           | 85,486            | 39,285           | 3,01,472                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Segmental Capital Employed</b>                                                                                             |                  |                   |                  |                                 |
| Segregation of assets, liabilities, depreciation and other non-cash expenses into various primary segments has not been done as the assets are shared interchangeably between segments. Accordingly no disclosure relating to Segmental assets and liabilities has been made.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                               |                  |                   |                  |                                 |
| <b>Notes :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                               |                  |                   |                  |                                 |
| 1. The quarterly results have been reviewed by the Audit Committee and taken on records by the Board of Directors in its meeting held on 31st July 2014.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                               |                  |                   |                  |                                 |
| <b>2. Scheme of Amalgamation and Arrangement:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                               |                  |                   |                  |                                 |
| Pursuant to the Scheme of Amalgamation and Arrangement (the "Scheme") sanctioned by the Honorable High Court of Andhra Pradesh vide its order dated June 11, 2013 and the Honorable High Court of Judicature at Bombay vide its order dated September 28, 2012, Venturbay Consultants Private Limited ("Venturbay"), CanvasM Technologies Limited ("CanvasM") and Mahindra Logistics Business Solutions Limited ("Mahindra Logistics") entered into a Scheme of Amalgamation and Arrangement with Sifyam Technologies Private Limited ("Sifyam"). Pursuant to the Scheme, all the equity shares of the Company issued and outstanding as on April 1, 2011 (the "appointed date"), the Scheme came into effect on June 24, 2013, the day on which both the orders were delivered to the Registrar of the Companies, and pursuant thereto the entire business and all the assets and liabilities, duties and obligations of Sifyam, Venturbay, CanvasM, Logisoft and C&S have been transferred to and vested in the Company with effect from April 1, 2011. |                                                                                                                               |                  |                   |                  |                                 |
| In accordance with the Scheme, the investments held in the respective subsidiaries and associate have been cancelled and the Company on July 16, 2013, has issued 2 equity shares of Rs. 10 each fully paid up in respect of every 17 equity shares of Rs. 2 each in the equity share capital of Sifyam, aggregating 103485399 equity shares.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                               |                  |                   |                  |                                 |
| The Company transferred out of its total holding in Sifyam as on April 1, 2011, 2040 Lakhs equity shares to a Trust, to hold the shares and any additions or accretions thereon exclusively for the benefit of the Company. The balance shares held by the Company in Sifyam have been retained by the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                               |                  |                   |                  |                                 |
| As the other amalgamating companies i.e. Venturbay, Logisoft, CanvasM and C&S were wholly owned subsidiaries of the Company / Sifyam, as applicable, no equity shares were exchanged to effect the amalgamation in respect thereof.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                               |                  |                   |                  |                                 |
| These amalgamations with the Company are non-cash transactions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                               |                  |                   |                  |                                 |
| Pursuant to the Scheme, the title deeds for the immovable properties pertaining to the amalgamating companies are pending conveyance in the name of the Company. Further, the Company has initiated the name change formalities to transfer the title in respect of the other properties, contracts etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                               |                  |                   |                  |                                 |
| <b>2.1 Appeals against the order sanctioning the Scheme</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                               |                  |                   |                  |                                 |
| Appeals against the order by the single judge of the Honorable High Court of Andhra Pradesh approving the Scheme of merger have been filed by 37 companies before the Division Bench of the Honorable High Court of Andhra Pradesh. No interim orders have been passed and the matter is still under consideration of the court.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                               |                  |                   |                  |                                 |
| One of the said companies was also appealed against the order of the single judge rejecting the Petition for winding up of Anshilla Sifyam. The matter has been continued with the above appeals for hearing.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                               |                  |                   |                  |                                 |

**Revenue for the quarter at Rs.51,215 Mn, up 25% over previous year**  
**Tech Mahindra Limited**  
**Consolidated Audited Financial Results for the Quarter ended June 30, 2014**

| PART I                                   | Particulars                                                                  | Rs. in Lakhs  |                                             |               |                |
|------------------------------------------|------------------------------------------------------------------------------|---------------|---------------------------------------------|---------------|----------------|
|                                          |                                                                              | June 30, 2014 | Quarter ended June 30, 2014 (Refer Note 10) | June 30, 2013 | March 31, 2014 |
| 1                                        | Income from Operations                                                       | 5,12,150      | 5,05,811                                    | 4,10,323      | 18,83,138      |
| 2                                        | Expenses                                                                     |               |                                             |               |                |
| a)                                       | Employee benefits expense                                                    | 2,73,232      | 2,63,658                                    | 2,20,535      | 9,73,550       |
| b)                                       | Traveling Expenses                                                           | 25,566        | 20,615                                      | 18,069        | 79,907         |
| c)                                       | Services rendered by Business Associates & Others                            | 58,860        | 30,976                                      | 30,976        | 1,71,412       |
| d)                                       | Depreciation and amortisation expense                                        | 14,921        | 14,294                                      | 11,743        | 52,218         |
| e)                                       | Other expenses                                                               | 61,651        | 62,895                                      | 54,275        | 2,40,365       |
|                                          | Total Expenses                                                               | 4,34,230      | 4,12,520                                    | 3,35,618      | 15,16,992      |
| 3                                        | Profit from operations before other income and finance costs (1-2)           | 77,920        | 92,891                                      | 74,705        | 3,66,156       |
| 4                                        | Other Income                                                                 |               |                                             |               |                |
|                                          | Miscellaneous income                                                         | 7,740         | 8,039                                       | 7,351         | 31,378         |
|                                          | Exchange (loss) (net)                                                        | 1,187         | (16,702)                                    | 13,379        | (20,074)       |
|                                          | Total                                                                        | 8,927         | (8,663)                                     | 20,730        | 11,304         |
| 5                                        | Profit before finance costs (3+4)                                            | 86,847        | 84,228                                      | 95,435        | 3,77,460       |
| 6                                        | Finance costs                                                                |               |                                             |               |                |
|                                          | Interest Cost on Borrowing                                                   | -             | 412                                         | 882           | 7,013          |
|                                          | Current Translation Loss / (Gain) on Foreign Currency Loan                   | -             | -                                           | 910           | 975            |
|                                          | Total                                                                        | -             | 412                                         | 1,792         | 7,988          |
| 7                                        | Profit after finance costs but before exceptional item and tax (5-6)         | 86,435        | 83,246                                      | 93,205        | 3,69,472       |
| 8                                        | Exceptional item - Income                                                    | -             | -                                           | -             | 12,000         |
| 9                                        | Profit before tax (7+8)                                                      | 86,435        | 83,246                                      | 93,205        | 3,81,472       |
| 10                                       | Tax expense                                                                  |               |                                             |               |                |
| a)                                       | Current Tax & Deferred Tax                                                   | 23,078        | 20,913                                      | 23,278        | 97,894         |
| b)                                       | Earlier years excess provision written back (refer note 3.4)                 | -             | -                                           | -             | (22,960)       |
| 11                                       | Profit after tax but before minority interest (9-10)                         | 63,357        | 62,333                                      | 69,927        | 3,06,238       |
| 12                                       | Minority Interest                                                            | (285)         | (912)                                       | (1,266)       | (3,357)        |
| 13                                       | Net Profit for the period (11+12)                                            | 63,072        | 61,421                                      | 68,631        | 3,02,881       |
| 14                                       | Paid-up Equity Share Capital (Face Value of Share Rs. 10)                    | 23,439        | 23,347                                      | 12,877        | 23,347         |
| 15                                       | Consideration on amalgamation pending allotment (Face Value of Share Rs. 10) | -             | -                                           | 10,349        | -              |
| 16                                       | Loan Funds - Listed Debentures                                               | -             | 30,000                                      | 30,000        | 30,000         |
| 17                                       | Reserves excluding revaluation reserve                                       | -             | -                                           | -             | 9,18,070       |
| 18                                       | Debt Redemption Reserve                                                      | -             | -                                           | -             | 29,721         |
| 19                                       | Earnings Per Equity Share (Rs) (Before exceptional item) (not annualised)    |               |                                             |               |                |
| - Basic                                  |                                                                              | 26.98         | 26.41                                       | 29.60         | 125.09         |
| - Diluted                                |                                                                              | 26.15         | 25.71                                       | 29.00         | 121.76         |
| 20                                       | Earnings Per Equity Share (Rs) (After exceptional item) (not annualised)     |               |                                             |               |                |
| - Basic                                  |                                                                              | 26.98         | 26.41                                       | 29.60         | 130.25         |
| - Diluted                                |                                                                              | 26.15         | 25.71                                       | 29.00         | 126.78         |
| 21                                       | Ratios                                                                       |               |                                             |               |                |
| - Debt Equity Ratio                      |                                                                              | -             | -                                           | -             | 0.04           |
| - Debt Service Coverage Ratio (DSCR)     |                                                                              | -             | -                                           | -             | 2.08           |
| - Interest Service Coverage Ratio (ISCR) |                                                                              | -             | -                                           | -             | 45.84          |



Notes:  
 ISCR = Earnings before Interest and Tax / Interest + Principal Repayment  
 DSCR = Earnings before Interest and Tax / Interest + Principal Repayment  
 See accompanying note to the financial results

3. Matters pertaining to erstwhile Satyam Computer Services Limited (erstwhile Satyam):

As reported by auditor in its report dated 7.10.2009, the then Chairman of erstwhile Satyam, admitted that the Balance Sheet of erstwhile Satyam as at September 30, 2008 carried an inflated cash and bank balances, non-existent accrued interest, an understated liability and an overstated debtors position.

Consequently, various regulators/investigating agencies such as the Central Bureau of Investigation (CBI), Serious Fraud Investigation Office (SFIO) / Registrar of Companies (ROC), Directorate of Enforcement (ED), etc. had initiated their investigation on various matters which are yet to be concluded.

On May 22, 2013, the ED has issued a show-cause notice to erstwhile Satyam for contravention of provisions of the Foreign Exchange Management Act, 1999 (FEMA) for alleged non-repatriation of AOS proceeds aggregating USD 39.2 Million. The Company has responded to the show-cause notice.

Certain agencies viz. SFIO and ED, pursuant to the matters stated above, had conducted inspections and issued notices calling for information from certain subsidiaries which have been responded in the process of being responded to. In furtherance to the investigation of erstwhile Satyam, various regulatory Agencies in India sought assistance from Overseas Regulators and accordingly, sought information from certain overseas subsidiaries.

As per the assessment of the Management, based on the forensic investigation and the information available up to this stage, all identified/required adjustments/disclosures arising from the identified financial irregularities, had been made in the financial statements of erstwhile Satyam as at March 31, 2009.

Considerable time has elapsed after the initiation of investigation by various agencies and erstwhile Satyam had not received any further information as a result of the various ongoing investigations against erstwhile Satyam which required adjustments to the financial statements. Further, in the opinion of the management, no new claims have been made when the Andhra Pradesh High Court considered and approved the merger, which need any further evaluation/adjudgement/disclosure in the books, and all existing claims have been appropriately dealt with/re-disclosed in the books based on their current status.

Considering the above, notwithstanding the pendency of the various investigations/proceedings, the Management is of the view that the above investigations/proceedings would not result in any additional material provisions/write-off adjustments (other than those already provided for, in the financial statements of erstwhile Satyam).

3.2 Forensic investigation and nature of financial irregularities:

Consequent to the aforesaid letter, the Government constituted Board of Directors of erstwhile Satyam appointed an independent counsel ("Counsel") to conduct an investigation of the financial irregularities. The Counsel appointed forensic accountants to assist in the investigation (referred to as "forensic investigation") and preparation of the financial statements of erstwhile Satyam.

The forensic investigation conducted by the forensic accountants investigated accounting records to identify the extent of financial irregularities and mainly focused on the period from April 1, 2002 to September 30, 2008, being the last date up to which erstwhile Satyam published its financial results prior to the date of the letter. In certain instances, the forensic accountants conducted investigation procedures outside this period.

The forensic investigation had originally indicated possible diversion aggregating USD 41 Million from the proceeds of the American Depository Receipts (ADR) issued by erstwhile Satyam. The amount was revised to USD 19 Million based on the further details of utilisation of AOS proceeds obtained by erstwhile Satyam.

The overall impact of the forensic entries and unrecorded transactions arising out of the forensic investigation, to the extent determined was accounted in the financial statements for the financial year ended March 31, 2009 of erstwhile Satyam.

Based on the forensic investigation, an aggregate amount of Rs. 113932 Lakhs (net debit) was identified in the financial statements of erstwhile Satyam as at March 31, 2009 under "Unexplained differences, suspense account (net)" comprising of fictitious assets, unrecorded loans or where complete information is not available. On grounds of prudence, these amounts had been provided for by erstwhile Satyam in the financial year ended March 31, 2009 and since there is no further information available with the Management even after the lapse of more than four years, the said amount has been completely written off in the books of accounts of the Company during the year ended March 31, 2014.

The forensic investigation was unable to identify the nature of certain alleged transactions aggregating Rs. 120040 lakhs (net receipt) against which erstwhile Satyam had received legal notices from 37 companies claiming repayment of this amount which was allegedly given as temporary advances. Refer Note 3.3 below.

3.3 Alleged Advances

Consequent to the letter of the erstwhile Chairman, on January 8, 2009, the erstwhile Satyam received letters from thirty seven companies requesting repayment of temporary advances referred to as "alleged advances". These letters were followed by legal notices from these companies dated April 20, 2009 and August 11, 2009 respectively. The companies claimed that the temporary advances were given to them by erstwhile Satyam for various purposes and that the same were not repaid by the erstwhile Satyam. The legal notices also claim damages/compensation @ 18% per annum from date of advance till date of repayment. The claims are legally untenable.

The 37 companies had filed petitions / suits for recovery against the erstwhile Satyam before the City Civil Court, Secunderabad ("Court"), with a prayer that these companies be declared as indigent persons for seeking exemption from payment of requisite court fees.

One petition where court fees have been paid and the pauper petition converted into a suit which is pending disposal and petitions filed by remaining 36 companies are before the Court, at various stages of rejection of pauper's trial of pauper's inquiry in condone delay.

The remaining petitions are at a preliminary stage before the Court, for considering condonation of delay in re-submission of pauper petitions. In one petition, the delay had been condoned by the Court and the Company has obtained an interim stay order from the Honorable High Court of Andhra Pradesh.

The erstwhile Satyam had received legal notices from nearly all of the above companies, calling for payment of the amounts allegedly advanced by them (including interest and damages), failing which they would be constrained to file a petition for winding up of the affairs of erstwhile Satyam. In pursuance thereof, one of the aforesaid companies filed a winding up petition that was dismissed by the High Court. Against the said order of dismissal, the aforementioned company has filed an appeal before the Division Bench of High Court of Andhra Pradesh which is pending hearing.

Furthermore, even in connection with the merger proceedings, the erstwhile Satyam had received letters from the aforesaid companies claiming themselves to be "creditors". They had pleaded inter-alia before the High Court (during the merger petition of the erstwhile Satyam with the erstwhile Satyam) that the merger of erstwhile Satyam with the erstwhile Satyam was not a bona fide transaction and that the same was a mere device to defraud the creditors and to avoid their claims. In this regard, the erstwhile Satyam had convened a meeting of the creditors is concerned. They contended that without convening a meeting of the creditors and hearing their objections, the merger scheme could not be proceeded with.

To address these and other related objections, the High Court directed the Official Liquidator, with the assistance of a firm of Chartered Accountants ("the firm"), to scrutinise the books of the erstwhile Satyam and submit a report on the allegations aforesaid including an accounting system adopted by it with respect to the alleged advances. The firm, in their report, inter-alia, stated that the erstwhile Satyam had put its new management, was justified in not treating these amounts as creditors and in classifying these alleged advances as "Amounts due" investigation suspense account (net).